



**Shrewsbury Public Schools
Massachusetts 01545**

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To: School Committee

Subj: POTENTIAL TRANSPORTATION FEE INCREASES FOR: FISCAL YEAR 2014

Purpose

The purpose of this report is to provide potential options for the district to increase the Transportation Fee for the 2013-2014 school year. The FY 13 Transportation fee is \$250 per student with a \$500 family cap and a late fee of \$50 (\$600 family cap late fee) for payment after June 1. The Transportation Fee went up in FY 10 from \$210 to \$250.

Transportation Fees

To review revenue and ridership information, please review the table below:

	FY08	FY09	FY10	FY 11	FY12	FY13 (YTD 3/20/13)
Total bus riders	4,779	4,623 -3%	4,519 -2%	4,622 +2.2%	4,578 -0.9%	4,572 -0.1%
Total regular fees collected	\$539,650	\$546,298 +1%	\$573,250 +5%*	\$594,715 +3.7%	\$592,290 -0.4%	\$590,981 -0.2%
Processing fee for free riders (\$10)	\$4,860	\$6,250 +3%	\$5,250 -2%	\$0 N/A	\$0 N/A	\$0 N/A
Late fees	\$8,225	\$16,450 +100%	\$26,250 +60%**	\$15,500 -40%	\$12,835 -17.2%	\$11,600 -9.6%
Students paying late fee: Late fees collected ÷ \$25 (FY08 & 09) or \$50 (FY10, 11,12)	329	658 +100%	525 -20%**	310 -40%	256 -17.4%	232 -9.3%
Total fee collection	\$552,735	\$568,998 +3%	\$604,750 +6%	\$610,215 +1%	\$605,125 -0.8%	\$602,581 -0.4%
Paying riders: regular fees collected ÷ \$210 fee (FY08 & 09) or \$250 fee (FY10,11,12)	2,570	2,601 +1%	2,293 -12%*	2,337 +1.9%	2,354 +0.7%	2,363 +0.3%
*Regular fee revenue increased by 5% despite 12% decrease in paid ridership due to fee increase from \$210 to \$250						
**Late fee increased from \$25 to \$50 in FY10; late fee revenue increased by 60% but actual students paying late decreased by 20%						

The transportation fees generate additional revenues to aid in reducing amounts expensed to the appropriated budget for these services. For FY 13, we have offset the Transportation line item by \$600,000. The \$600,000 covers approximately 28% of the

\$2.1 million dollar regular education busing cost. The fees are used to pay the monthly operating cost of AA Transportation.

Potential Options to Increase the Fee

Option #1 – 12% Increase

The first potential option is to increase the FY 14 Transportation Fee by 12% to \$280.00 per student and increase the family cap to \$560. We would recommend changing the late fee (currently \$50/student) to the following:

Payment received after June 1	\$50.00/ student
Payment received after July 1	\$75.00/ student
Payment received after August 1	\$100.00/student

The staff and contractor spend numerous hours collecting and routing students. The revised late fee structure will encourage families to register earlier and eliminate the last minute changes to bus routes. Families that move to town during the year are not charged a late fee.

Option #2 -20% Increase

The second potential option is to increase the FY 14 Transportation Fee by 20% to \$300.00 per student and increase the family cap to \$600. As above, we would continue to recommend changing the late fee (currently \$50/student) to the following:

Payment received after June 1	\$50.00/ student
Payment received after July 1	\$75.00/ student
Payment received after August 1	\$100.00/student

Barring unforeseen changes, we project an additional \$60,000 in revenue for option # 1 and an additional \$100,000 for option #2. The additional revenue would continue to go towards offsetting the operating budget transportation line item. The expected total revenue for the FY14 would then be \$660,000 to 700,000 depending upon the option. However, it is possible that there will be a loss of ridership due to families not willing to pay the revised fee.

Family Cap Question

As has been previously discussed, Shrewsbury currently has a family cap of \$500. This covers the cost of two full paying riders. Currently, 124 students qualified for the family cap status in FY13. If these students all paid \$250.00, we would have received an additional \$31,000 in revenue. Does the School Committee wish to eliminate the family cap status for the transportation program?

Other Considerations

The School Department is working on analyzing the impact of reducing bus routes and possible impact on ridership and revenue and will present to the School Committee shortly.